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PRIORITIZING USAF CORE FUNCTIONS – A METHOD FOR STRATEGIC RESOURCE ALLOCATION

by

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Contents

Disclaimer……..i

Contents……...ii

Illustrations…….iii

Biography……iv

Introduction……..1

USAF Resource Allocation 1947-Present……..……1
Threat Based Defense Posture……...…….....2
Capabilities Based Defense Posture…….…….……...……...4

Successful Business Resource Allocation Strategies……..……...……....10

Recommendations…….…….……...…..……13
Prioritize USAF Core Functions (Strategic Perspective)…....…….....……...14
Balance Capabilities (Operational Perspective)……..……...…….……..17

Conclusion.……...…….…….……...19

Bibliography…..……21

Illustrations

Page

Figure 1. DoD Planning, Programming, Budgeting, and Execution Process……7

Figure 2. Linking USAF Concepts to Joint Operating Concepts.…….....9

Figure 3. *The Hedgehog Concept*……..……12

Biography

Lt Col Steven C. Burgh is a 1991 graduate of the US Air Force Academy and a 2004 graduate of Air Command and Staff College. He is a command pilot with over 2200 hours in fighter and trainer aircraft. He served on the Combined Air Operations Center staff at Prince Sultan Air Base Saudi Arabia during the initial stages of Operation Enduring Freedom in 2001. Additionally, Lt Col Burgh was the F-22 Program Manager at Headquarters Air Education & Training Command from 2004-2006. He has commanded an Operations Support Squadron and an F-15C Fighter Squadron.

Since its inception in 1947, the United States Air Force (USAF) has faced many challenges. Similar to all organizations, it has been shaped by the context of the world around it. Emerging threats, technological advances, shifting political priorities, and varying degrees of economic prosperity all combined to create a dynamic and challenging environment for the USAF. Through it all, however, the USAF has proven to be a pillar of national security. When called on in wars past, the USAF has exhibited overwhelming strength and resilience. Today the USAF is the most technologically advanced and capable air force in the world. Underwriting the success of the USAF has been a US economy fueled by abundant resources. The future will undoubtedly present an even more demanding strategic landscape and, at the same time, access to resources will decrease. For the USAF to continue to be a pillar of national security, it must ensure every taxpayer dollar gets the optimum return on investment.

In an attempt to develop the most effective method for allocating resources, this work analyzes the evolution of resource allocation strategies in the USAF from 1947 to the present. Additionally, to provide a varying perspective, it analyzes successful business resource allocation strategies. This work investigates the proposition that a strategic resource allocation strategy guided by prioritized service core functions is the most effective method for the USAF to manage risk in a resource constrained future.

USAF Resource Allocation 1947-Present

The early years of the USAF were characterized by intense inter-service rivalry. As roles and missions were being defined, the struggle for budget share also intensified. In 1947, the US economy was recovering from a post-war recession and there was strong political pressure to shrink the defense budget. At the time, US defense posture was based primarily on long-range

strategic bombardment and the threat was the Soviet Union.[1] In 1948, the power struggle between the Services culminated in conferences at Key West, FL and Newport, RI in which they finally reached "general accord" on their respective roles, missions, and functions.[2] In Key West, the conferees drafted a paper entitled, "Functions of the Armed Forces of the Joint Chiefs of Staff" which was later approved by President Truman. They believed the delineation of functions would be valuable to planners to determine force requirements and prepare budget estimates based on strategic plans.[3] However, the roles, missions, and functions were not completely exclusive. The "Functions" paper assigned overlapping collateral functions designed to provide "maximum assistance" to other Services to increase overall mission effectiveness. Secretary of Defense Forrestal admitted assigning collateral functions would potentially lead to disagreements between the Services, but believed problems could be worked out in the joint arena.[4] Within this context, the USAF began to wrestle with how best to allocate its resources.

Threat-Based Defense Posture

Even though the Services had agreed to "jointness", deep seeded cultural differences would hinder true joint cooperation for many decades to come. The independent spirit of airmen of the 1940's that led to the creation of the USAF would also act to stifle joint service cooperation. The USAF mindset was one of superiority over the other services. Given the success of the B-29s in the Pacific theatre during WWII and an ever-burgeoning stockpile of nuclear weapons, it's easy to see why the USAF felt this way. This mindset—coupled with the rise of a dominant threat in the Soviet Union—would guide resource allocation for the USAF for

[1] Mason, *Air Power: A Centennial Appraisal*, 85.
[2] Trest, *Air Force Roles & Missions: A History*, 121.
[3] Ibid.
[4] Ibid.

the next three decades. It would eventually be known as "threat-based" in nature. This method of allocating resources was fairly straight forward. The USAF simply needed to organize, train, and equip forces to deter or defeat the Soviet threat. For the most part, developing the USAF around a single dominant threat proved to be successful. However, it wasn't without its faults.

The Vietnam War revealed a glaring weakness in the threat-based approach. In the decade leading up to the Vietnam War, the USAF had focused on the Soviet threat. Combat plans were based on the assumption that US forces would require a nuclear response to defeat the Soviet Union. Therefore, the USAF was organized, trained, and equipped to do so. At the time, the USAF lacked a credible air superiority fighter and had largely abandoned air to air combat training and precise target identification/bombing. Pilots in F-100s and F-105s were proficient in intercepts and nuclear delivery, but lacked proficiency in skill sets required in Vietnam—air superiority and precise interdiction or close air support.[5] The disparity caused significant turmoil in the early stages of the Vietnam War. For example, the USAF was unable to gain and maintain air superiority consistently until after 1968. From August 1967 through the end of February 1968, only 5 MIG-21's were downed while 18 US aircraft were lost to the MIG-21.[6] Fortunately for the USAF, the North Vietnamese Air Force could not fully exploit their advantage. An increase in funding in 1967 allowed the USAF to step up pilot training, aircraft production, and equipment modernization in order to achieve dominant air superiority in Vietnam after 1968.[7] In the end, US military ineffectiveness in Vietnam would be attributed to the lack of clear political guidance. This was true to a large extent; however, by concluding this, the military avoided addressing the fundamental issue of why its forces were not organized, trained and equipped

[5] Mason, *Air Power: A Centennial Appraisal*, 92.
[6] Futrell, *Aces & Aerial Victories: The US Air Force in Southeast Asia 1965-1973*, 12.
[7] Cooling, *Case Studies in the Achievement of Air Superiority*, 509.

properly at the start of the Vietnam War. Hindsight being 20/20, the flaws are now more apparent. In terms of future resource allocation, two key takeaways can be derived from threat-based defense posturing and the Vietnam War: First, a threat-based defense posture provides a narrow focus which, in turn, limits military effectiveness across the full spectrum of warfare. Second, during the Vietnam War the US military relied on a resilient and powerful US economy to reshape the posture of the military *after* the war started.

Capabilities-Based Defense Posture

Progress in joint cooperation between the services inched along throughout the entire Cold War. During the Reagan years, the arms race reached new levels. Defense budgets soared and with the increased spending came increased Congressional interest. Scrutiny by the Armed Service Committees revealed that strategic planning throughout the DoD was underemphasized and that strategy and resource allocation were weakly linked.[8] In an attempt to increase the efficiency and effectiveness of the military, Congress passed the Goldwater-Nichols Act of 1986. Goldwater-Nichols significantly reformed the DoD and put an increased focus on jointness. Joint duty became a prerequisite of flag rank. The Act also reemphasized jointness in the acquisition process. Both of these changes slowly drove USAF resource allocation to reflect a more joint mindset. Jointness picked up more steam during the 2001 Quadrennial Defense Review (QDR) when the concept of capabilities-based planning started to gain traction. The 2001 QDR stated, "The US cannot know with confidence what nation, combination of nations, or non-state actor will pose threats to vital US interests. It is possible, however, to anticipate the capabilities that an adversary might employ…a capabilities-based model…broadens the strategic

[8] Locher, *Victory on the Potomac*, 441.

perspective."[9] Following this review, the DoD slowly transitioned from a threat-based defense posture to a capability-based defense posture.

Defense analyst, Michael Fitzsimmons, captured the capabilities-based concept well by breaking it down into four key principles. He said it would:

- Broaden the range of missions for which forces are prepared
- Make the joint perspective predominant in all planning and programming activities
- Use risk as a strategic measure of effectiveness
- Shift the requirements generation process away from platform/system-centric focus[10]

These principles are slowly and, at times, painfully being ingrained into the cultures of each of the services. He notes the biggest challenge facing capabilities-based resource allocation is organizational incentives.[11] In fact, a 2006 comprehensive study on defense reform by the Center for Strategic and International Studies (CSIS) strongly agreed with this assessment. The study noted a growing awareness by the services of the need to rationalize resources because fiscal realities will more than likely limit future defense allocations.[12] Citing recent performance in Iraq and Afghanistan, the study claims the Pentagon's inefficient resource allocation process has reinforced inertia and parochialism in the distribution of defense related funds and that service interests frequently prevail over joint perspectives.[13] It concludes that too little jointness in acquisition determinations is a liability in terms of providing Combatant

[9] U.S. Department of Defense, *Quadrennial Defense Review*, 13-14.
[10] Fitzsimmons, "Whither Capabilities-based Planning?", 103.
[11] Ibid., 105.
[12] Murdock, "Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era", 19-20.
[13] Ibid.

Commanders (COCOMs) with the necessary capabilities to prosecute modern warfare.[14] The report provides a fairly scathing assessment of "jointness" to say the least.

Congressional inquiries and reports have not slowed down in recent years. In fact, a 2008 Government Accountability Office (GAO) report claimed DoD's requirements determination process has not been effective in prioritizing joint capabilities. The GAO report offered two recommendations: First, the Secretary of Defense (SecDef) direct the Chairman of the Joint Chiefs of Staff (CJCS) to develop an analytic approach within the Joint Capabilities Integration and Development System (JCIDS) to better prioritize and balance the capability needs of the military services and COCOMs. Second, the SecDef determine and allocate appropriate resources for joint capabilities development planning.[15] DoD partially concurred with the GAO recommendations. However, in their response, they implied the GAO did not fully appreciate or understand the processes within the DoD requirements determination process. In their comments, DoD highlighted two improvements already realized or in work: First, the Joint Requirements Oversight Council (JROC) has moved to give the COCOMs a greater voice in the requirements process. Second, DoD recently introduced Capability Portfolio Management (CPM). CPM is designed to create horizontal assessments of all service programs across functional areas, such as Command and Control. Within a portfolio, the CPM team (made up of COCOM or Joint Staff Flag officers, representatives from the functional capability boards (FCBs), and senior defense officials) prioritizes programs and recommends the addition or removal of resources to the Deputy SecDef.[16]

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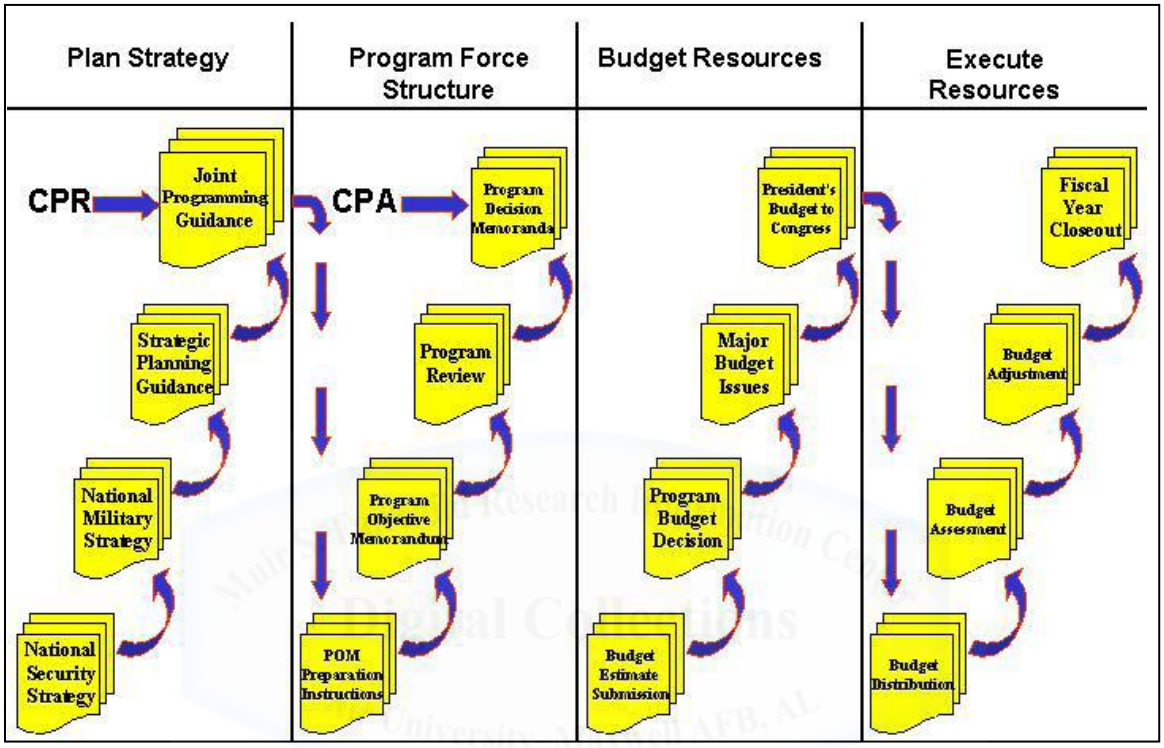
[14] Murdock, "Beyond Goldwater-Nichols: Defense Reform for a New Strategic Era", 19-20.

[15] *Defense Acquisitions: DoD's Requirements Determination Process Has Not Been Effective in Prioritizing Joint Capabilities*, GAO-08-1060, 19.

[16] Ibid., 32.

There is no doubt significant progress has been made in DoD resource allocation. Much of this can be attributed to increased joint participation in DoD planning, programming, budgeting, and execution (PPBE).



***DoD Planning, Programming, Budgeting, and Execution Process*[17]**
(Figure 1)

The Strategic Planning Guidance (SPG), a key document in the process, is a culmination of a thorough review of capabilities and forces required to support US national security objectives. Each of the services (along with the COCOMs and DoD staff) get to comment on the draft. The Joint Planning Guidance (JPG) is then developed to provide fiscally constrained programming guidance. It is here that the COCOM Integrated Priority List (IPL) is prioritized across service and functional lines and is also fiscally constrained. The Joint Staff highlights COCOM

[17] Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 8501.01A, B-1.

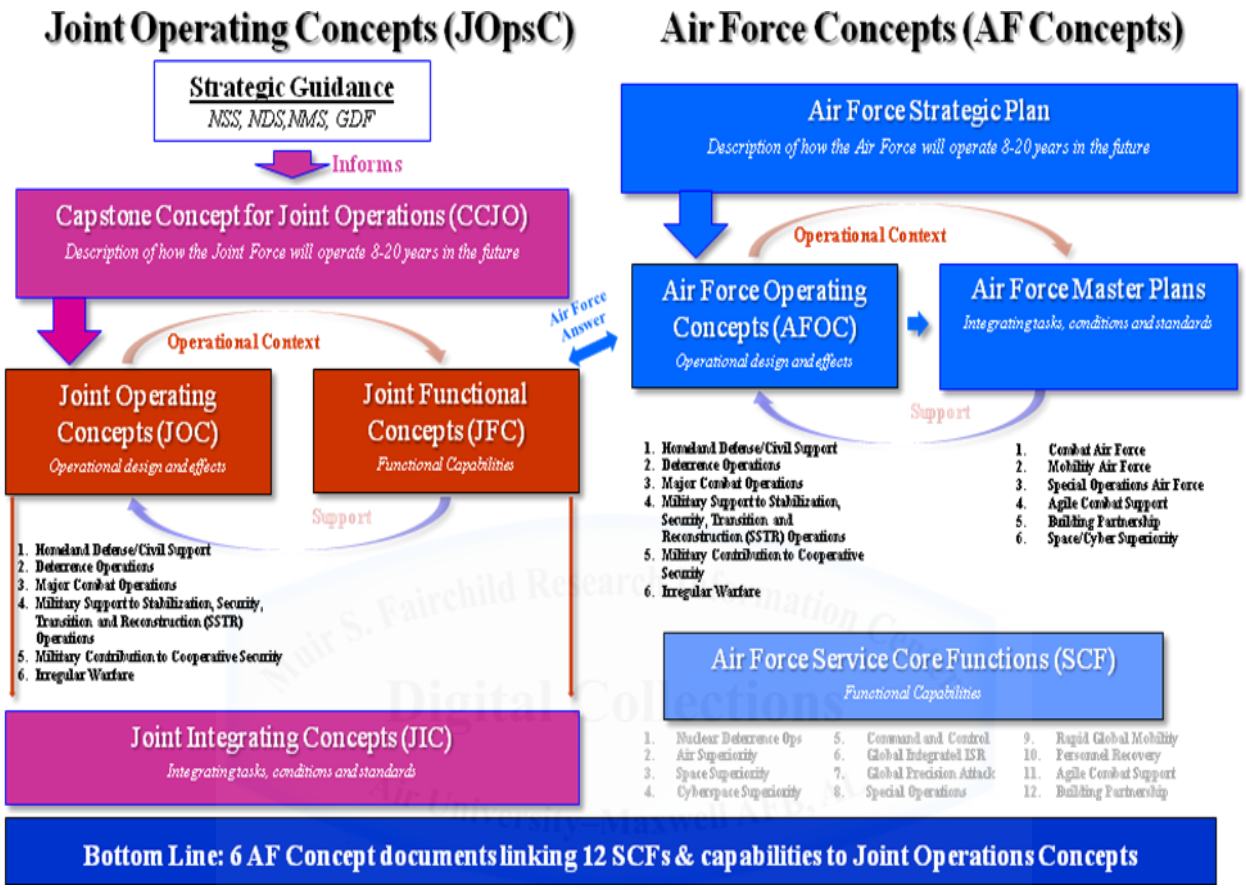
concerns by employing FCBs to provide analysis, assessments, and recommendations.[18] The services then develop their Program Objective Memoranda (POM), which is further refined through multiple other reviews.

The USAF resource allocation process has evolved in parallel with the DoD process and has, therefore, embraced the concept of capability-based planning (CBP). Each year, the USAF sets priorities and makes budgets for a multitude of programs that comprise a roughly 111 billon-dollar portion of the presidential budget submission to Congress.[19] According to a 2009 RAND study, the allocation of resources is influenced by several key factors. One significant influence is institutional inertia. Building a new POM each year from a bottom-up review is not possible. Consequently, programming from the previous Future Years Defense Planning (FYDP) strongly influences the current year POM build.[20] Additionally, political concerns and competing interests within the USAF result in subjective influence.

To increase objectivity and better align with the joint community, the USAF developed the capability review and risk assessment (CRRA) process. The CRRA process has proven to be very helpful in balancing capabilities, identifying risk, and providing USAF leadership with quantitative, objective expressions of the consequences of programming decisions to DoD and Congress.[21] From an operational perspective, the CRRA is viewed in terms of Concepts of Operation (CONOPs). USAF CONOPS are currently being modified to more closely match both the nomenclature and structure used in the joint community. This will better align AF Operating

[18] Ibid., B-3.
[19] Snyder, Don et al., "Assessing Capabilities and Risk in Air Force Programming: Framework, Metrics, and Methods", 5.
[20] Ibid., 8.
[21] Ibid.

Concepts with Joint Operating Concepts which should facilitate communication at all levels of the planning and acquisition process (see Figure 2).



Linking AF Concepts to Joint Operating Concepts[22]
(Figure 2)

From a functional perspective, the CRRA is viewed in terms of a master capability library (MCL). The MCL is a complete list of mutually exclusive USAF capabilities. The MCL is grouped into 8 areas (Battlespace Awareness, Joint Command and Control, Net Centricity, Force Application, Focused Logistics, Force Protection, Force Management, and Training) which align

[22] *Air Force Space Command Requirements Lead Handbook*, 15.

with the Joint Staff FCBs.[23] The CRRA uses the MCL as a starting point for analysis of capabilities and risk.

Overall, it is a very thorough process which has improved significantly over the last decade. However, as evidenced by the aforementioned GAO report, there is still considerable pressure to improve. Pressure to find efficiencies within DoD will undoubtedly keep growing as baby boomers start to retire and entitlement spending increases dramatically. From 2010 to 2030, an estimated 30 million Americans will pass the age of 65 but only 10 million new workers will enter the workforce.[24] As we look towards future resource allocation, two key takeaways can be derived from these projections: First, the US economy will probably not be able resource national defense to levels enjoyed over the past century—including the potential to surge as we did in WWII, Vietnam, and the Cold War. Second, as national defense spending decreases, pressure from Congress/DoD to pursue joint solutions will continue to increase.

Successful Business Resource Allocation Strategies

There are many differences between the military and business. The most obvious difference is military personnel have sworn to lay down their life in defense of the country. This "service before self" attitude breeds a unique culture that is not found in the business world. Another resides in the stakes of the game or, put another way, the importance of mission success. In the military, national security is at stake. Effectiveness in mission accomplishment is paramount. In business, earnings are at stake. Therefore, business tends to place more emphasis on properly balancing effectiveness (sale of a good or service) and efficiency (profit per sale).

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[23] Snyder, Don et al., "Assessing Capabilities and Risk in Air Force Programming: Framework, Metrics, and Methods", 9.

[24] Bowie and McNabb, "Past Trends and Future Plans", 8.

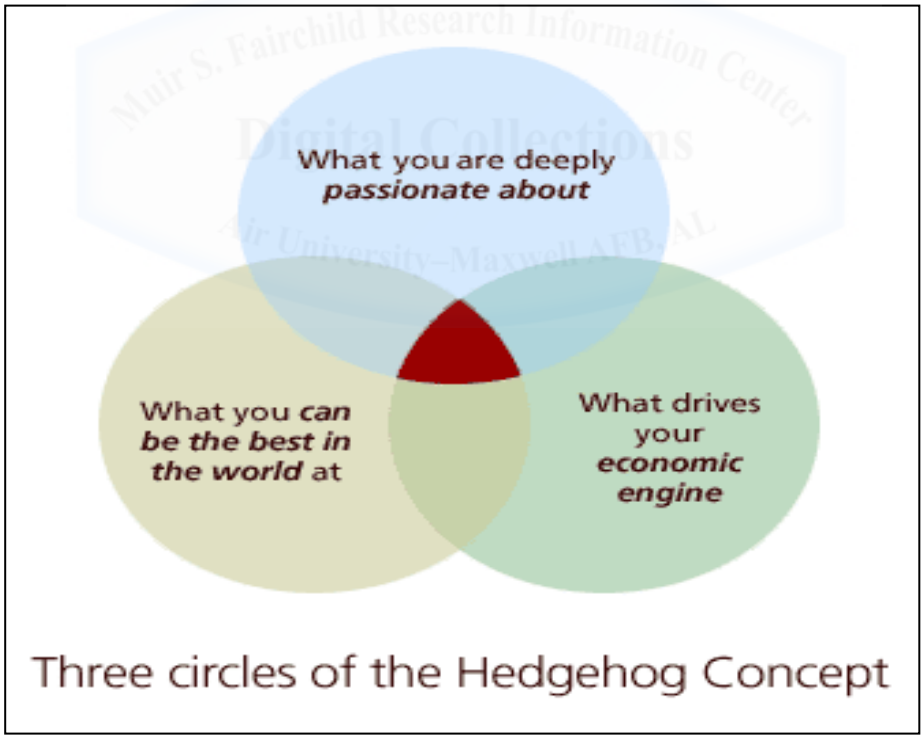
During a time of war, the disparity between the military and business is at its greatest. In peacetime, the disparity lessens and the nation demands the defense establishment properly balance effectiveness with efficiency. Therefore, the defense budget tends to shrink and political scrutiny of DoD PPBE increases. For these reasons it behooves the military to understand fundamental business principles and meld pertinent business strategies into their own.

Business professor Jim Collins and his research team recently conducted a very thorough and revealing business study. The 5 year project analyzed the histories of 28 business companies to try and answer the question – Why do some companies make the leap to greatness and others fail? Many of the findings in the study dealt with leadership and team-building and, although enlightening, were not directly applicable to this study. However, several others were pertinent to resource allocation. Perhaps the most interesting finding was coined the *Hedgehog Concept*. This concept was identified when the study revealed that good-to-great companies founded their resource allocation strategies on a deep understanding along three key dimensions and then translated that understanding into a simple, crystalline concept that guided all their efforts.[25] Due to its simplicity, the concept would later be sarcastically referred to as the *Hedgehog Concept*. It requires, however, a deep understanding of the three key dimensions.

The first dimension entails knowing what you can be the best in the world at. As Collins points out, here it is vital to understand this does not mean "a goal to be the best, a strategy to be the best, an intention to be the best, or a plan to be the best. It is an understanding of what you *can* be the best at."[26] This requires an honest assessment when facing the brutal facts of reality. The second dimension entails developing a deep understanding of the key drivers of your economic engine. Collins explains it in terms of the following question, "If you could pick one

[25] Collins, *Good to Great: Why Some Companies Make the Leap…and Others Don't*, 95.
[26] Ibid, 98.

and only one ratio—profit per x—to systematically increase over time, what x would have the greatest and most sustainable impact on your economic engine?[27] For this study, if one thinks of the USAF as a business and the COCOMs as the customer, then the USAF may use profit per COCOM objective as a key driver of its economic engine. The third dimension involves understanding what you are deeply passionate about. Passion is not something that can be manufactured and you cannot motivate people to become passionate. Collins found good-to-great companies did not say, "Okay, folks, let's get passionate about what we do." Instead, they found areas they could be passionate about and focused on them.[28] Based on a deep understanding of each of the dimensions, good-to-great companies then focused their resource allocation on areas where these three dimensions overlapped (see Figure 3).



***Hedgehog Concept*[29]**
(Figure 3)

[27] Ibid, 104.
[28] Ibid, 110.
[29] Collins, *Good to Great: Why Some Companies Make the Leap…and Others Don't*, 96.

With this in mind, Collins and his team turned their attention to how good-to-great companies executed their resource allocation strategy. They found a strong culture of discipline in budgeting. Good-to-great companies decided which areas should be fully funded and which should not be funded at all. Their budget process was not about figuring how much each activity gets, but about determining which activities best support the *Hedgehog Concept* and should be fully strengthened and which should be eliminated entirely.[30] "Stop doing" lists are more important than "to do" lists.[31] Another pertinent finding entailed how good-to-great companies viewed technology. When used properly, technology became an accelerator of momentum, not a creator of it. The good-to-great companies did not begin their transitions with pioneering technologies, for the simple reason you cannot make use of new technology until you know if it is relevant.[32] The key question being, Does is fit with your *Hedgehog Concept*? If yes, then they became pioneers in the use of that technology. If no, then they accepted parity.[33]

Recommendations

The overview of the allocation process used by the USAF, together with the business resource work by Collins, provides insight into a dilemma faced by all organizations—how to best balance limited resources. The following recommendations are drawn from the data gathered and from personal experience. They are not intended to be *the* answer. The USAF resource allocation process is far too complex and dynamic to ever be defined by a set method.

[30] Ibid, 140.
[31] Ibid, 143.
[32] Ibid, 152.
[33] Ibid, 162.

Instead, the recommendations are provided to complement the current process, help generate new ideas, and be value-added in the development of future USAF resource allocation methods.

Prioritize USAF Core Functions (Strategic Perspective)

Ever since the Key West conference in 1948, the Services have been defined by their assigned core functions. Currently, the USAF is assigned 12 core functions. As pointed out in the 2010 Air Force Posture Statement, the 12 core functions encompass the full range of USAF capabilities.[34] As it stands now, there is no formal prioritization of the core functions at the strategic level. Strategic guidance comes in the form of generalized priorities set forth in the Air Force Strategic Plan (AFSP). In the 2006-2008 AFSP they were:

- Winning the war on terror…while preparing for the next war
- Developing and caring for Airmen and their families…to maintain our competitive advantage
- Recapitalizing and modernizing our aircraft, satellites, and equipment…to optimize the military utility of our systems and to better meet 21st century challenges[35]

The Air Force Council oversees the execution of these relatively general priorities and the Air Force Corporate Structure uses them as a guide during the POM process to help make CRRA-based decisions on where to accept capability shortfalls. In terms of shaping overall USAF capabilities, the result is a fairly significant gap between strategic guidance and operational execution of that guidance.

Currently, the USAF is developing Core Function Master Plans (CFMPs) and has assigned each a Major Command (MAJCOM) sponsor. The CFMP will describe how the USAF

[34] United States Air Force Posture Statement 2010, 4.
[35] Air Force Strategic Plan 2006-2008, 5.

will operate and deliver the function in the near, mid, and far timeframes. They will be linked to the USAF CONOPs and also to joint and service doctrine. Each CFMP will identify challenges, concepts, forces, capabilities, risks, and goals in the Doctrine, Organization, Training, Material, Leadership & Education, Personnel, and Facilities (DOTMLPF) areas.[36] The development of CFMPs provides a unique opportunity to reshape USAF strategic guidance. In the past, the elements within the core functions were not adequately analyzed to fully understand the complexities of each core function—the CFMPs now provide that level of detail. This, in turn, presents an opportunity to impart strategic guidance via prioritization of the 12 core functions. The USAF is currently in the process of rewriting AFPD 90-11 and also producing a new document AFI 90-1101. The documents will provide guidance on the Air Force Strategic Environmental Assessment (AFSEA) and the Strategic Guidance and Plan (SG&P). According to a 26 Oct 2010 AF/A8X briefing, the SG&P establishes priorities and provides Secretary of the Air Force (SECAF)/Chief of Staff of the Air Force (CSAF) guidance on the relative emphasis to be given to key capability areas during the development and alignment of organizational strategic plans across the Air Force, including CFMPs.[37] The SG&P is the appropriate document to prioritize the 12 core functions. The SG&P would, in turn, guide the Annual Planning and Programming Guidance (APPG) and the rest of the POM process.

The prioritization of the core functions should be guided by deep understanding and thorough analysis in 3 main areas:

- Relative importance to national security
- Joint/DoD support options
- Current performance

[36] Combat Air Force Strategic Plan 2010, *Securing the High Ground*, 18.
[37] AF/A8X Briefing on Air Force Strategic Planning Successes, 26 Oct 2010, 5.

Relative importance to national security is fairly self-explanatory. For example, nuclear deterrence operations during the Cold War were more vital to national security than the core functions of personnel recovery or building partnerships. Although basic, this overarching tie to national security objectives must be considered during prioritization. The second area, joint/DoD support options, requires more explanation. During the research, one of the key takeaways concerned the pressure for DoD to increase jointness. The USAF should embrace this and incorporate this mindset into strategic resource allocation. In 1948, after Secretary Forrestal and the Service chiefs hammered out the functions of the services, they assigned overlapping collateral functions designed to provide "maximum assistance" to other Services in order to increase overall mission effectiveness. The degree to which the USAF can get assistance from the other Services/DoD agencies should help guide prioritization. For example, the core function of rapid global mobility is almost entirely reliant on USAF capabilities. The USAF should not expect any other DoD entity to help fulfill this function. In contrast, the core function of cyberspace superiority is common throughout the Services and DoD. The USAF can partner with the joint/DoD community to fulfill this function for the country.

The last area is current performance. This is also self-explanatory and the USAF has many means to enhance this assessment. For example, the Office of Air Force Lessons Learned (AF/A9L) could be used to supplement more traditional performance measurement methods such as operational readiness inspections. AF/A9L's recent work assessing integration efficacy between the Air Support Operations Center (ASOC) and Tactical Air Control Party (TACP) in Afghanistan showed the importance of rapidly incorporating lessons learned. Through their work USAF support of ground combat operations has improved and longer lasting DOTMLPF changes have been implemented. The AFSEA would contain detailed analysis in each of the

three aforementioned areas to help guide strategic prioritization. In the end, the SECAF/CSAF would use the AFSEA and their personal judgment to prioritize the 12 core functions. Prioritizing at this level will provide clear guidance to help alleviate USAF intra-service rivalries and allow each functional area to pursue fiscally realistic capability solutions. The SECAF/CSAF could release the priorities to the public at large; or perhaps place them in a For Official Use Only (FOUO) appendix in the SG&P to be released only to the Air Force Corporate Structure.

Balance Capabilities (Operational Perspective)

The Air Force Council and Air Force Corporate Structure would take the guidance provided by the SP&G (including the prioritized 12 core functions) and allocate resources to balance capabilities accordingly. The priorities will guide where shortfalls should be accepted. The priorities should not be used to guide budget allotments. For example, the sixth priority core function might have a larger portion of the budget than the third priority core function. However, offsets would be more readily applied to the sixth priority than the third priority. In the completed POM, the top prioritized core functions should have few, if any, unfunded valid requirements or capability gaps. In contrast, the lower priority core functions might have to accept some capability shortfalls (especially in a severely constrained budget environment). As alluded to earlier, pursuing joint/DoD solutions to fill the capability shortfalls should be strongly considered. The joint/DoD team has the resources to assist in areas of functional overlap and the impending budget squeeze will demand increased efficiencies in DoD. The USAF should use this context to strengthen its enduring core capabilities and perhaps divest capabilities that can be provided by other entities in DoD.

As owners of the CFMPs, the MAJCOMs play a vital role. They possess the expertise and real-world experience that drives the CBP, CONOPs, and CRRA processes. Therefore, MAJCOMs play a significant role in validating requirements. The research on successful business resource allocation provided several pertinent findings which may be helpful to MAJCOMs as they strive to maximize return on USAF dollars. The *Hedgehog Concept* may be useful in the requirements determination process. Defining what drives the economic engine is perhaps the most important dimension to understand. The example used earlier was profit per COCOM objective. In other words, for every dollar spent how much return does it give in fulfilling COCOM objectives. MAJCOMs should weight investment towards capabilities that support several COCOM objectives and look to divest redundant capabilities with too narrow a focus. The second dimension of the *Hedgehog Concept*, identifying what you can be the best in the world at, requires brutal honesty. It also requires a well-informed assessment of the strategic environment. How much funding can you really expect? What is the true capacity and capability of the defense industrial base? Can we realistically organize, train, and equip to provide a particular capability? These questions much be answered in an objective and realistic fashion. If not, the USAF will end up with broken programs and capability gaps.

The third dimension, passion, should not be overlooked. Over the years the USAF has been dominant in areas for which it had passion—such as flying airplanes or developing cutting edge military technology. In order to continue to be the best, the Airmen of tomorrow will need to bring passion to work every day. Without passion, the USAF will lose the key intangible that helped make it the world's greatest air force. By focusing resources on capabilities where these three dimensions intersect, the MAJCOMs will maximize return on investment. When implementing this strategy, the MAJCOMs should focus more on "stop doing" lists instead of

"to do" lists. Likewise, they should avoid pursuing technology for technology's sake. If technology supports their *Hedgehog Concept*, then become a pioneer in using it; if not, then accept parity. At the 2010 Air Force Association Air & Space Conference, the SECAF provided excellent guidance in these areas when he said,

> Don't get overextended with more programs and resource commitments than we can afford. Concentrate on the top few acquisition modernization programs essential to each core function, and provide sufficient funding to ensure success. Don't leave broken, underfunded programs and disconnects for the next budget cycle. Re-emphasize program stability and don't break programs to fix other programs. Make the hard choices now.

The SECAF's message was spot on. By prioritizing the core functions, the SECAF and the CSAF could provide the strategic guidance to help make the hard choices now. In doing so they would shoulder the tough burden of stratification and, at the same time, give the owners of the CFMPs useful guidance on the fiscal constraints they may face.

Conclusion

The USAF is still the most technologically advanced and capable air force in the world. However, significant challenges lie in the not too distant future. Up to this point in USAF history, US economic prosperity has provided a safety cushion to absorb inefficiencies in resource allocation—the safety net is slowly being removed. During the next conflict, the US economy's capacity to surge and the defense industrial base's ability to spin-up might be far less than in past wars. Therefore, it will be paramount for the USAF to be correctly postured at the *start* of the next war.

With CBP, the USAF has found a versatile and effective method to generate capabilities for national security. The challenge, as highlighted by the SECAF, will be to choose which capabilities to fund and which to stop pursuing. Given the current geo-political and fiscal

context, this will be a difficult task. Under the current resource allocation strategy, the Air Force Corporate Structure faces many obstacles. Institutional inertia from one POM cycle to the next discourages change in investment priorities. Parochial interests make sound decision-making difficult as various USAF communities (fighter, bomber, space, mobility, etc) fight to maintain their slice of the budget. Joint/DoD solutions are resisted as commanders are hesitant to relinquish organic AF capabilities to outside agencies. These obstacles are difficult to overcome. However, by prioritizing the core functions at the strategic level, the SECAF and the CSAF can potentially minimize the negative impact caused by these inherent obstacles. In doing so, they will provide actionable guidance from the strategic level and set the conditions for future success. At the operational level, the Air Force Corporate Structure will then be armed with the necessary guidance to oversee a disciplined budgeting process to focus scarce resources in the proper areas—thereby ensuring the USAF remains a pillar of US national security for generations to come.

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